

1
UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF OHIO
3 WESTERN DIVISION4 EASTSIDE LINCOLN MERCURY, :
5 INC., et al., :
6 Plaintiffs :
7 -vs- :
8 FORD MOTOR COMPANY, :
9 et al., :
10 Defendants :
1112 Deposition of ROGER M. BEAN, a witness
13 herein, taken by the defendants as upon
14 cross-examination pursuant to the Federal Rules of
15 Civil Procedure and pursuant to agreement among
16 counsel as to time and place and stipulations
17 hereinafter set forth, at the offices of Statman,
18 Harris, Siegel & Eyrich, 2900 Chemed Center, 255
19 East Fifth Street, Cincinnati, Ohio, at 9:30 a.m.,
20 on October 29, 2003, before Pamela S. Giglio, a
21 notary public within and for the State of Ohio.
2223 GIGLIO REPORTING SERVICES
24 3 Cypress Garden
25 Cincinnati, Ohio 45220
26 (513) 861-2200

ORIGINAL

1 public accountant, which is a broad spectrum of.
2 expertise, if you will. Accounting, auditing,
3 consulting, mergers and acquisitions, general
4 business advice.

5 Q. Are there any fields of expertise
6 that you hold outside of the accounting area?

7 A. Outside of the accounting area, no.

8 Q. Which of these fields within
9 accounting have you been asked to give testimony in
10 this case?

11 A. My purpose in this engagement was to
12 assist counsel in the damage calculations which
13 involved analysis of facts and figures, review of
14 financial statements of the dealerships involved in
15 this case, the majority of which is, in my opinion,
16 accounting related relative to the expert report
17 which I have provided to you.

18 Q. Which aspects of your public
19 accounting background have you been using in
20 rendering your report?

21 A. My expertise with automobile dealers
22 primarily, my expertise with the accounting and
23 financial aspects of automobile dealers.

24 The issues concerned with the
25 mergers, sales, acquisition, divestitures of

1 A. Not that I recall, no.

2 Q. What is your understanding of how
3 vehicle allocation works in the Ford system?

4 A. There is a mathematical calculation
5 referred to as turn, to turn and/or earn which
6 derives or drives the initial allocation.

7 There is a concept called coverage.
8 There are discretionary allocations above and
9 beyond the mathematical calculation.

10 Q. Where did you -- upon what do you
11 base that understanding of the allocation system?

12 A. My discussion with personnel at the
13 Eastside Lincoln Mercury, my reading of depositions
14 in this case, my discussions of that with Glen
15 Watkins.

16 Q. Who at Eastside did you speak with
17 about allocation?

18 A. Mr. Woeste, Mr. Beattie,
19 B-E-A-T-T-I-E, I believe, and Mr. Woodall.

20 Q. When did you have this discussion
21 with them?

22 A. Different points in time, '91
23 through 2000 or through today. Not today, but
24 through 2003.

25 Q. Have you had a discussion with them

1 as pertains to allocation in this litigation?

2 A. Yes.

3 Q. When did that occur?

4 A. Same time frame, '91 through 2003.

5 Q. Mr. Woeste was contemplating suing
6 Ford in '91?

7 MR. FLEMER: Objection.

8 THE WITNESS: I'm sorry?

9 BY MS. MCNELLIE:

10 Q. With regard to this litigation?

11 A. I'm sorry, I have the date wrong.
12 Excuse me, 2001. Both those answers should have
13 been 2001 through 2003. I apologize.

14 Q. Who is Mr. Watkins?

15 A. Mr. Glen Watkins.

16 Q. Who is he?

17 A. Individual knowledgeable in the
18 automobile business who assisted me in my work in
19 this engagement.

20 Q. By whom is he employed, do you know?

21 A. I don't know.

22 Q. Do you know where he is?

23 A. Richmond, Virginia.

24 I should say I don't recall who he's
25 employed by.

1 Q. Did you meet with him in person or
2 over the phone?

3 A. On the phone.

4 Q. On more than one occasion?

5 A. Yes.

6 Q. Do you know how many times?

7 A. Is a range acceptable?

8 Q. Yes.

9 A. More than 10, less than 20.

10 Q. Do you recall the first time you
11 spoke to him?

12 A. I recall that I spoke to him the
13 first time.

14 Q. Was it before you completed your
15 first report in this case?

16 A. Which would be my first report in
17 this case.

18 Q. That would be dated --

19 MR. FLEMER: September of '01, I
20 believe.

21 BY MS. MCNELLIE:

22 Q. Yes.

23 A. It was not prior to September '01.

24 Q. Was it prior to your affidavit that
25 was attached to the opposition for the motion for

1 summary judgment?

2 A. Yes, ma'am.

3 Q. Was it prior to January of '02?

4 A. I don't remember.

5 Q. What kinds of information did
6 Mr. Watkins give you specifically about allocation?

7 A. We discussed Ford, Lincoln Mercury's
8 mathematical formula and the availability of
9 discretionary vehicles above and beyond the
10 mathematical calculation.

11 And we discussed the delivery times
12 where the release date for vehicles ordered by
13 several of the Lincoln Mercury dealers that are
14 part of this litigation.

15 Q. Do you know the basis for
16 Mr. Watkins' understanding of these things?

17 MR. FLEMER: Object.

18 You can answer if you can.

19 THE WITNESS: I don't know.

20 BY MS. MCNELLIE:

21 Q. Did you rely on any of the
22 information provided to you by Mr. Watkins in
23 reaching any of your conclusions in this report?

24 A. What do you mean by rely upon?

25 Q. Did you use any of the information

1 that you got from him in reaching any of your
2 conclusions?

3 A. Yes.

4 Q. Which information did you use?

5 A. There are some exhibits to my report
6 which, that Glen collaborated with me on. There
7 obviously is the telephone conversations. I used
8 the knowledge that I gained from him to draft some
9 of the verbiage that's in the document, the report.

10 Q. Did you speak with Mr. Watkins about
11 any other issues other than allocation and delivery
12 dates and things of that nature?

13 A. I spoke to Mr. Watkins about a
14 number of issues in the case, but what I have
15 relied upon in there is in the exhibit and what I
16 told you.

17 Q. That would be the information
18 related to whether you have titled vehicle
19 distribution?

20 MR. FLEMER: Do you mind if he looks
21 at the report?

22 MS. MCNELLIE: I'll get this, that's
23 fine. I want to make sure we are talking
24 about the same topic.

25 Q. Look at Page 8.

1 MS. MCNELLIE: Could we take five
2 minutes, please?

3 MR. FLEMER: Yes.

4 THE WITNESS: Thank you.

5 (At which time, a short recess
6 was taken.)

7 MS. MCNELLIE: Back on the record.

8 Q. Can you tell me who prepared
9 Exhibit 13?

10 A. It's another Excel spreadsheet.
11 Glen Watkins and I collaborated on this. I think
12 he prepared this under my supervision or direction.

13 Q. What did you ask Mr. Watkins to
14 prepare?

15 A. To summarize the information on
16 Eastside release data from the Ford reports for new
17 model vehicles in this time frame, and we picked
18 Lincoln Navigator and Lincoln LS. That's it.

19 Q. Why did you pick Navigator and LS?

20 A. They just happened to be new model
21 products during the time frame we were looking at.
22 That's all.

23 Q. Did you look at any other vehicle
24 lines that you didn't include in your report?

25 A. No.